Impact of global and domestic slowdown on MSMEs

2122. SHRI RAHUL BAJAJ: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state what has been the impact of the global and domestic slowdown on growth and employment in the Micro, Small and Medium Enterprises (MSMEs) sector during September-November 2008?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): The impact of the global and domestic slowdown on growth and employment in the Micro and Small Enterprises (MSEs) during September- November 2008 is not available as there is generally a time lag of six to nine months in the availability of data on MSB sector. However, the Ministry of Micro, Small and Medium Enterprises (MSME) has been receiving representations from various Micro and Small Enterprises (MSE) Associations highlighting problems with regard to credit squeeze by the banks, high rates of interest on MSE loans, reduction in orders, delayed payments by the big enterprises, etc. The Associations have apprehended that if the present situation continues, it may lead to considerable lay-offs in the sector.

Decline in Khadi Manufacturing and use

2123. SHRI KAMAL AKHTAR:

SHRI PRABHAT JHA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that there has been a decline in Khadi clothes manufacturing and use and thereby in employment generation;

(b) if so, the details thereof; and

(c) the steps taken to arrest this decline and achievement thereto?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) No, Sir. The value of production and use of khadi clothes as evident from value of sales of khadi products as well as employment in the khadi sector, have increased in the last three years, as detailed below:

Year	Value of Production (Rs. crore)	Value of Sales (Rs. crore)	Employment (lakh persons)
2005-06	468.30	628.69	8.86
2006-07	491.52	663.19	8.84
2007-08	543.39	724.39	9.16

(b) and (c) Do not arise.

Credit availability to SSI sector

2124. SHRI T.T.V. DHINAKARAN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether credit availability to Small Scale Industries (SSIs) sector has not been adequate;